

FISCAL NOTE

HB 2322 - SB 2594

February 8, 2002

SUMMARY OF BILL:

- Creates the Tennessee Rural Internet Access Authority within the Department of Commerce and Insurance to provide rural counties with high speed Internet access.
- The Authority would be composed of 10 members who receive no compensation for service other than reasonable expenses.
- The members would elect a secretary and a treasurer, who are not members of the Authority. The secretary and treasurer would receive compensation from the funds of the Department of Commerce and Insurance as approved by the Authority and the Commissioner of Personnel.
- Requires the Authority to (1) Recommend a plan to state government to provide rural Internet access. (2) Propose funding and incentives for the private sector to invest in the Authority. (3) Set specific targets to achieve: (a) Local dial-up service for every exchange within one year. (b) High speed access to every citizen within three years. (c) Significant increases in computer ownership and Internet subscriptions. (d) Accurate current information provided through the Internet to citizens about availability of present telecommunications and Internet service. (e) Development of government applications to make citizen interactions with government convenient. (f) Open technology approaches to encourage potential providers in the implementation of high speed Internet access and advocate actions to achieve goals. (4) Coordinate activities and conduct research and advocate actions to achieve goals.

ESTIMATED FISCAL IMPACT:

**Increase State Expenditures - \$120,000 Recurring
\$160,000 One-Time**

Estimate assumes:

- a recurring increase in expenditures will be needed to cover the salary, benefits and operational expenses of the secretary and the treasurer that must be hired under the provisions of this bill.
- a one-time increase in expenditures of \$10,000 will be needed for office furnishings and equipment.
- a one-time increase in expenditures of \$150,000 will be needed to contract with experts to assist the Authority.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director

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